



**VILNIAUS  
BALDAI**

ANNO 1883

*... Better  
Faster  
Stronger ...*

# Vilniaus Baldai AB

INTERIM CONDENSED  
CONSOLIDATED REPORT  
FOR THE SIX MONTHS  
OF FY 2016 ENDED  
FEBRUARY 29, 2016

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## COMPANIES COMPOSING THE GROUP

Vilniaus Baldai AB (hereinafter “the Company”) prepares both separate Company’s and consolidated financial statements. The Group (hereinafter “the Group”) consists of Vilniaus Baldai AB and subsidiary ARI-LUX UAB in which the Company directly controls 100% of shares.

### GENERAL INFORMATION ABOUT THE COMPANY:

Name	Joint stock company Vilniaus Baldai AB
Legal form	Joint stock company
Code	121922783
VAT payer’s code	LT219227811
Authorised capital	EUR 4,508,069.72, divided into 3,886,267 ordinary registered shares with the par value of EUR 1.16 each
Office address	Savanoriu Ave. 178B, LT-03154 Vilnius
Telephone	(8~5) 252 57 00
Fax	(8~5) 231 11 30
E-mail	info@vilniausbaldai.lt
Internet website	<a href="http://www.vilniausbaldai.lt">www.vilniausbaldai.lt</a>
Registration date and place	9 February 1993, Vilnius City Board
Register, where all the information about the Company is collected and stored	Register of Legal Entities
Main type of activity	Design, production and selling of furniture

### GENERAL INFORMATION ABOUT THE SUBSIDIARY:

Name	Limited liability company ARI-LUX UAB
Legal form	Limited liability company
Code	120989619
VAT payer’s code	LT209896113
Authorised capital	EUR 2,896
Office address	Savanoriu Ave. 178B, LT-03154 Vilnius
Telephone	(8~5) 252 57 44
Fax	(8~5) 252 57 44
E-mail	<a href="mailto:aleksas.rimkus@ari-lux.lt">aleksas.rimkus@ari-lux.lt</a>
Internet website	
Registration date and place	28 October 1991, Vilnius City Board
Register, where all the information about the Company is collected and stored	Register of Legal Entities
Main type of the activity	Packaging

## 1. REVIEW OF THE COMPANIES GROUP'S POSITION, ACTIVITY AND DEVELOPMENT, CHARACTERISATION OF THE MAIN TYPES OF RISKS AND UNCERTAINTIES, FACED BY THE COMPANY

On the 8<sup>th</sup> of October, 2014 the Extraordinary General Shareholders Meeting of Vilniaus baldai AB has resolved to change the financial year of Vilniaus baldai AB with beginning on the 1<sup>st</sup> of September and ending on the 31<sup>st</sup> of August.

Due to the change, January – August of 2015 is considered a transitional financial year. September – February 2016 is considered the six months of FY2016 ended February 29, 2016.

Due to the change of the financial year, financial statements for the first six months of FY2016 ended February 29, 2016 is not compared to the same period of the previous year.

Vilniaus Baldai AB is a leading manufacturer of flat-pack furniture. The public company Vilniaus Baldai is the Company that cherishes time-honoured traditions, applies modern technologies and enjoys a stable and continuous business growth.

The activities of Vilniaus Baldai were successful during the first half of 2016. The revenue stood at EUR 30 million. During FY2016 the product range of the Company is partially changing: outgoing product family (shelf system) will be replaced by a new modern and functional product (also a shelf system), which production and sales already started in the 2<sup>nd</sup> quarter.

This year the Company is specifically focusing on productivity, improvement of internal processes and quality, production of new products.

### **Main risks faced by the Group:**

**Economic risk factors.** The sales to the main customer Swedish IKEA constituted approximately 99% of total sales of Vilniaus Baldai AB during the first half of 2016 (98% during January – August 2015). Furniture accounted for 99% of the Company's sales during the first half of 2016 (99% in January – August of 2015), while the rest came from sales of raw materials and waste of raw materials.

Global economy development trends do have an impact on the Company's main customer development pace as well as demand fluctuation for products produced by the Company.

The Company competes with the world furniture producers.

**Political risk factors.** Changing geopolitical situation has an impact on the international trade flows at the same time having an impact on the Company's costs and profitability. There are no requirements and restrictions established by the State to the issuer's activity.

**Social risk factors.** Demographic situation and migration processes have a negative influence on the Lithuanian labour market, therefore, the Company is constantly improving its organisational structure, increasing productivity, allocating resources to improve work conditions, training and competence development. Trade Union, representing interests of the employees, operates actively in the Company.

**Supply.** The Company aims to establish a long-term partnership with reliable suppliers, and at the same time secure alternatives for supply of the main raw materials.

**Technical and technological risk factors.** The Company owns modern production equipment. Vilniaus Baldai AB pays significant attention to the maintenance of production equipment, optimization of technological processes and increase of working efficiency. The physical and moral condition of the main facilities is good and does not cause any risk to the activity of the Company.

**Ecological risk factors.** There is an environment protection management system introduced in the Company, corresponding to the ISO 14001 requirements. The core of this system is the management and permanent improvement of the environment protection. The Company works purposefully seeking to make the production ecological, to control the impact that the materials and raw materials have on the environment, to ensure that the suppliers of the products and services correspond to the environment protection management requirements. Company was granted FSC production line certificate. During the first six month

of FY2016 Vilniaus Baldai AB has incurred expenses for waste utilisation services of EUR 54 thousand. There were no manufacturing restrictions because of the environment pollution.

**Repayment of the loans.** The repayment of the loans is made according upon the contractual schedules. All the payments to the bank are made on time. Information on terms and conditions of repayment of financial liabilities, credit of the Group is provided in the Notes to the interim condensed consolidated financial statements for the six months of 2016 (14 Note).

**Characteristics of internal control and risk management systems related to the preparation of consolidated financial statement of the Company and the Group.** The compliance with the requirements for the preparation of the set of the consolidated financial statements, internal control and financial risk management systems, legal acts regulating the preparation of the set of the consolidated financial statements is supervised by the Audit Committee established September 16, 2013.

The Audit Committee:

<b>Tomas Bubinas</b>	
<b>Position</b>	
Independent Member of the Audit Committee, elected to the Audit Committee 16.09.2013, end of the term – 2017	
<b>Work experience</b>	
Since 2013 Chief Operating Officer at Biotechpharma UAB 2010 – 2012 Senior Director of Operations at TEVA Biopharmaceuticals USA 2001 – 2010 Chief Financial Officer at SICOR Biotech / TEVA Baltic 1999 – 2001 Senior Manager at PricewaterhouseCoopers 1994 – 1999 Senior Auditor, Manager at Coopers & Lybrand	
<b>Education</b>	
Master degree in Economics of Vilnius University and Executive MBA of BMI (Baltic Management Institute), a fellow member of the Association of Chartered Certified Accountants (ACCA) and a registered Lithuanian Sworn Auditor.	
<b>Participation in Vilniaus Baldai AB authorised capital</b>	<b>Number of shares and of voting rights</b>
-	-

<b>Vaidas Savukynas</b>	
<b>Position</b>	
Member of the Audit Committee, elected to the Audit Committee 16.09.2013, end of the term – 2017	
<b>Work experience</b>	
Since 2013 Chief Financial Officer at Invalda privatus kapitalas AB 2011 – 2013 Chief Financial Officer at food retail chain Narodnyi in Kyrgyz Republic 2010 – 2010 Director of Administration at Zemaitijos pienas AB 1998 – 2009 Chief Financial Officer and Financial Analyst at concern MG Baltic and its companies (MG Baltic Trade, Apranga, Minvasta) 1993 – 1995 Chief Executive Officer at brokerage company Bankoras 1990 – 1993 Marketing Manager at Lietuvos birza AB	
<b>Education</b>	
Vilnius University diploma in economics, Master degree in Social Sciences of Stockholm University (Sweden), Financial sector schemes introductory courses in Leeds University (Great Britain)	
<b>Participation in Vilniaus Baldai AB authorised capital</b>	<b>Number of shares and of voting rights</b>
-	-

The Company's Head of Finance is responsible for the preparation of the consolidated financial statement, ensures the collection of information from Group companies, its' timely and fair processing and preparation for the financial statement.

## 2. THE ANALYSIS OF THE FINANCIAL AND NON-FINANCIAL ACTIVITY RESULTS, INFORMATION RELATED TO THE ENVIRONMENTAL AND PERSONNEL MATTERS

The Group Revenue stood at 16 331 thousand EUR during September – November of 2015.

Net profit of the Group during September – November of 2015 was 719 thousand EUR, while EBITDA was 1 173 thousand EUR.

The Group Revenue stood at 13 252 thousand EUR during December of 2015 – February of 2016.

Net profit of the Group during December of 2015 – February of 2016 was 370 thousand EUR, while EBITDA was 850 thousand EUR.

The Group Revenue stood at 29 583 thousand EUR during September of 2015 – February of 2016.

Net profit of the Group during September of 2015 – February of 2016 was 1 089 thousand EUR, while EBITDA was 2 023 thousand EUR.

The main financial position items of the Group, EUR thousand:

	29.02.2016	31.08.2015
Non - current assets	12 196	12 259
Current assets	13 513	14 846
<b>Total assets</b>	<b>25 709</b>	<b>27 105</b>
<b>Capital and reserves</b>	<b>9 091</b>	<b>11 888</b>
<b>Total liabilities</b>	<b>16 583</b>	<b>15 181</b>
Non - current liabilities	3 981	711
<i>Financial debts</i>	3 296	26
Current liabilities	12 602	14 470
<i>Financial debts</i>	5 234	7 661

The main comprehensive income items of the Group, EUR thousand:

	FY 2016 I half, ended February 29
<b>Sales income, EUR thousand</b>	<b>29 583</b>
- in Lithuania	366
- in EU countries	18 752
- other countries	10 465
<b>Gross profit, EUR thousand</b>	<b>3 349</b>
Gross profit margin, %	11.32
<b>Operating profit, EUR thousand</b>	<b>1 378</b>
Operating profit margin, %	4.66
<b>Profit before taxes, EUR thousand</b>	<b>1 336</b>
Profit before taxes margin, %	4.52
<b>Net profit, EUR thousand</b>	<b>1 089</b>
Net profit margin, %	3.68
<b>EBITDA, EUR thousand</b>	<b>2 023</b>
EBITDA margin, %	6.84

### Production and sales

Vilniaus Baldai AB designs, produces flat-pack furniture. The production of the Company is produced from wood particle boards, the most modern technology of board on frame is used, according to which the

produced furniture is lighter, however massively looking. When employing this technology less raw materials can be used, and stable quality of the production is attained. Each year new products are developed and production technologies of existing ones are improved taking into consideration the needs of consumers and prevailing tendencies. The planning system implemented in the Company is constantly developed to achieve higher production flexibility and efficiency.

Modern equipment, purchased from such world-renowned manufacturers as Homag, Holzma, Burkle, Weeke, Wikoma, Ima, Biesse, Wemhoner etc., enables to manufacture different types of the furniture, coated with plywood, pigment or foil.

The volumes of Company's production in terms of value in the period 2016 first half:

Production	2016 I half, ended February 29
	EUR thousand
Furniture	29 753
Other production	-
<b>Total</b>	<b>29 753</b>

Production sales according to the markets in the period of 2016 first half:

Sales	2016 I half, ended February 29	
	EUR thousand	%
In Lithuania	366	1,24
In abroad	29 217	98,76
<b>Total</b>	<b>29 583</b>	<b>100,0</b>

Sales in Lithuania include: raw materials sales, waste sales and other sales.

## Supply

Vilniaus Baldai AB has introduced an effective system of the purchase of raw materials and services. The Company maintains strong strategic relations with suppliers and constantly searches for new opportunities in the markets of raw materials and services. The purchase process is distinguished into strategic and operational purchases. The Company aims to manage the supply risk; therefore, main raw materials may be supplied by principal or alternative suppliers. Vilniaus Baldai AB has implemented and continuously improves the assessment system of suppliers; audits of suppliers are carried out.

The Company establishes long-term contracts with its suppliers. The Company acquires the main raw materials from the local, Slovak, Polish and German suppliers. The main suppliers are IKEA Industry Lietuva UAB, IKEA Components S.R.O, IKEA Industry Polska Sp.zo.o, Sherwin – Williams Lietuva UAB, Rehau UAB, and DS Smith Packaging Lithuania UAB. The local supply of the raw materials is pre-conditioned by the low transportation costs and good relations with the major suppliers.

## Employees

The Company pays great attention and allocates funds for the improvement of working conditions and trainings, qualification improvement of the personnel, implementation of LEAN principles and methods. Vilniaus Baldai AB makes regular investments in production facilities, automation of technological processes in order to improve working conditions, reduce physical workload of employees. Investments in occupational safety and wellbeing of employees serve as a basis for establishing a different working environment which encourages to aim for better performance and achieve higher competitiveness in the international markets.

During the first six months of FY2016 number of employees has decreased both in the Group and the Company. There were 650 employees working in the Group and 604 employees in the Company at the end of

the first half of 2016 (724 in the Group and 673 in the Company as of 31 August 2015). The average age of the employees is 39 years.

The average number of the employees in the Company during the first half of 2016:

	2016 I half, ended February 29
Executive personnel	8
Specialists	36
Workers	524
<b>Total</b>	<b>568</b>

Remuneration comprises a basic and variable component. A variable component of remuneration depends on the Company's results of operations. The Company is proud of its highly experienced and qualified employees.

The average wages of the employees in the period of during the first half 2016:

	2016 I half, ended February 29
Executive personnel	4 505
Specialists	1 397
Workers	941
<b>Total</b>	<b>1 021</b>

The collective agreement is concluded in the Company. The collective agreement was renewed on January 23, 2015. The agreement is mandatory for all the employees of the Company. The purpose of this agreement is to ensure the harmonious work of the staff, high level of working conditions of different categories of employees, salary and other working conditions, also, to ensure additional social guarantees which are not stated according to the regulations of Lithuanian legislation for the employees of the Company. The collective agreement includes the working contract formation, change, termination, work and rest time, payment for the work done, improvement of the qualification of the employees, safety at work and medical assistance, social care, trade union activity and guarantees of the elected employees. If the terms and conditions of the collective agreement are more favourable compared to the working contract, then the collective agreement is followed.

### 3. REFERENCES AND ADDITIONAL EXPLANATIONS ABOUT THE INFORMATION PRESENTED IN THE INTERIM FINANCIAL STATEMENTS

The information presented in the interim condensed consolidated financial statements and the explanatory notes.

### 4. INFORMATION ABOUT THE OWN SHARES

The Company did not have any own shares, did not acquire or transfer any in the reporting period.

### 5. INFORMATION ABOUT THE BRANCHES AND REPRESENTATIVE OFFICES OF THE COMPANY

The Company does not have any branches or representative offices.

### 6. IMPORTANT EVENTS, WHICH HAVE OCCURRED SINCE THE END OF THE LAST FISCAL YEARS

On the 14th of December 2015 the Annual General Shareholders Meeting of Vilniaus baldai AB adopted the following resolutions:

Agenda item #1: Consolidated annual report.

The Company's consolidated annual report for the 8-month period ended as at 31 August 2015 was presented.



Agenda item #2: Company's auditor's report.

The auditor's (KPMG Baltics UAB) report on financial reports for the 8-month period ended as at 31 August 2015 was presented.

Agenda item #3: Approval of the Company's financial statements for the 8-month period ended as at 31 August 2015.

Resolution: to approve Company's financial statements for the 8-month period ended as at 31 August 2015.

Agenda item #4: Approval of the Company's consolidated financial statements for the 8-month period ended as at 31 August 2015.

Resolution: to approve Company's consolidated financial statements for the 8-month period ended as at 31 August 2015.

Agenda item #5: Approval of the Company's profit distribution.

Resolution: to approve Company's profit distribution.

Undistributed retained earnings, brought forward	4 766 912 EUR
Net result for the current year	2 156 226 EUR
Profit (loss) not recognized in the income statement of the reporting financial year	(12 516) EUR
Distributable result	6 910 622 EUR
Transfers to the obligatory reserves	591 EUR
Transfers to other reserves	-
To be paid as dividends*	3 886 267 EUR
To be paid as annual payments (bonus) to the board	-
Undistributed retained earnings, carried forward	3 023 764 EUR

\* 1.00 EUR dividends per one ordinary share.

Since the end of the reporting fiscal year till the interim condensed consolidated financial statement confirmation there were no important events at the Company.

## **7. OPERATING PLANS AND FORECASTS OF THE GROUP'S ACTIVITY**

During the next financial year the product range of the Company will partially change: outgoing product family (shelf system) will be replaced by a new modern and functional product (also a shelf system). The new product will be produced without additional investments and using current equipment.

Next year the Company will specifically focus on productivity, improvement of internal processes and quality, production of new products.

## **8. INFORMATION ABOUT THE RESEARCH AND DEVELOPMENT ACTIVITY OF THE COMPANY**

The Group did not carry out any research or development activity. The Company used the results of the customers' research.

## **9. WHEN THE GROUP EMPLOYS THE FINANCIAL INSTRUMENTS AND WHEN IT IS IMPORTANT FOR VALUATION OF THE COMPANY'S ASSETS, EQUITY, LIABILITIES, FINANCIAL POSITION AND ACTIVITY RESULTS OF THE COMPANY, THE COMPANY DISCLOSES THE OBJECTIVES OF THE FINANCIAL RISK MANAGEMENT, ITS POLICY FOR HEDGING MAJOR TYPES OF FORECASTED TRANSACTIONS FOR WHICH HEDGE ACCOUNTING IS USED, AND COMPANY'S EXPOSURE TO PRICE RISK, CREDIT RISK, LIQUIDITY RISK AND CASH FLOW RISK**

The Group did not use any financial instruments, which are important for the evaluation of the company's assets, liabilities and operation results.

## 10. INFORMATION ON THE CONTRACTS WITH THE INTERMEDIARIES OF THE PUBLIC TURNOVER OF THE SECURITIES

The Company has signed the contract with the Siaulių bankas AB (Seimyniskiu Str. 1A, Vilnius) on the management of the Company's securities accounting and the payment of dividends to the shareholders.

## 11. STRUCTURE OF THE ISSUER'S AUTHORIZED CAPITAL

Structure of the authorized capital of Vilniaus Baldai AB:

Type of shares	Number of shares, units	Nominal value, EUR	Total nominal value, EUR	Share in the authorized capital, %
Ordinary registered shares	3 886 267	1.16	4 508 069.72	100.00

All shares are fully paid up and no restrictions are applied to their transfer.

### Rights and obligations carried by the shares

The shareholders have no property obligations to the Company, except for the obligation to pay up, in the established manner, all the shares subscribed for at their issue price.

If the General Meeting takes a decision to cover the losses of the Company from additional contributions made by the shareholders, the shareholders who voted "for" shall be obligated to pay the contributions. The shareholders who did not attend the General Meeting or voted against such a resolution shall have the right to refrain from paying additional contributions.

A shareholder shall repay to the Company any dividend paid out in violation of the mandatory norms of the Law on Stock Companies of the Republic of Lithuania, if the Company proves that the shareholder knew or should have known thereof.

The shareholders have the following property and moral rights:

1. to receive a part of Company's profit (dividend);
2. to receive Company's funds when the authorized capital of the Company is decreased in order to pay the Company's funds to the shareholders;
3. to receive shares without payment if the authorized capital is increased out of the Company's funds except in cases provided for by the laws of the Republic of Lithuania;
4. to have the pre-emption right in acquiring shares or convertible debentures issued by the Company, except in cases when the General Meeting in the manner prescribed in the Law on Companies of the Republic of Lithuania decides to withdraw the pre-emption right in acquiring the Company's newly issued shares or convertible debentures for all the shareholders;
5. to lend the Company in the manner prescribed by laws, but the Company, borrowing from its shareholders has no right to mortgage its property to shareholders. The interest shall not exceed the average interest rate of commercial banks in the lender's place of residence or business in force at the time of the loan contract when the Company is borrowing from the shareholder. In this case it is prohibited to the Company and its shareholders to agree on a higher interest rate;
6. to receive a part of assets of the Company in liquidation;
7. other statutory property rights;
8. the rights, indicated in statutes 1 - 4 have persons who were Company's shareholders at the tenth day after the decision that was accepted at the end of general shareholders' meeting (hereinafter – at the end of right record day);
9. to participate in general shareholders' meetings;

The shareholders have the following property and moral rights (cont'd):

10. to submit the questions related to the agenda of general shareholders' meetings to the Company in advance;
11. to vote at general shareholders' meetings according to voting rights carried by their shares. Each registered ordinary share carries one vote at the general shareholders' meeting except the exceptions indicated in the Company Law of the Republic of Lithuania. The right to vote at the general shareholders' meetings may be prohibited or restricted by the Company Law of the Republic of Lithuania and other cases established by law, as well as, when the ownership of the share is being disputed;
12. to receive information on the Company as indicated in the Company Law of the Republic of Lithuania;
13. to file a claim with the court for reparation of Company's damage resulting from nonfeasance or malfeasance by the Company's executive and board members of their obligations prescribed by the Company Law of the Republic of Lithuania and other laws as well as Company's regulations;
14. to authorize natural or legal person to represent him in relations with the Company and other persons;
15. other non-property rights established by the Company Law of the Republic of Lithuania or Company's regulations.

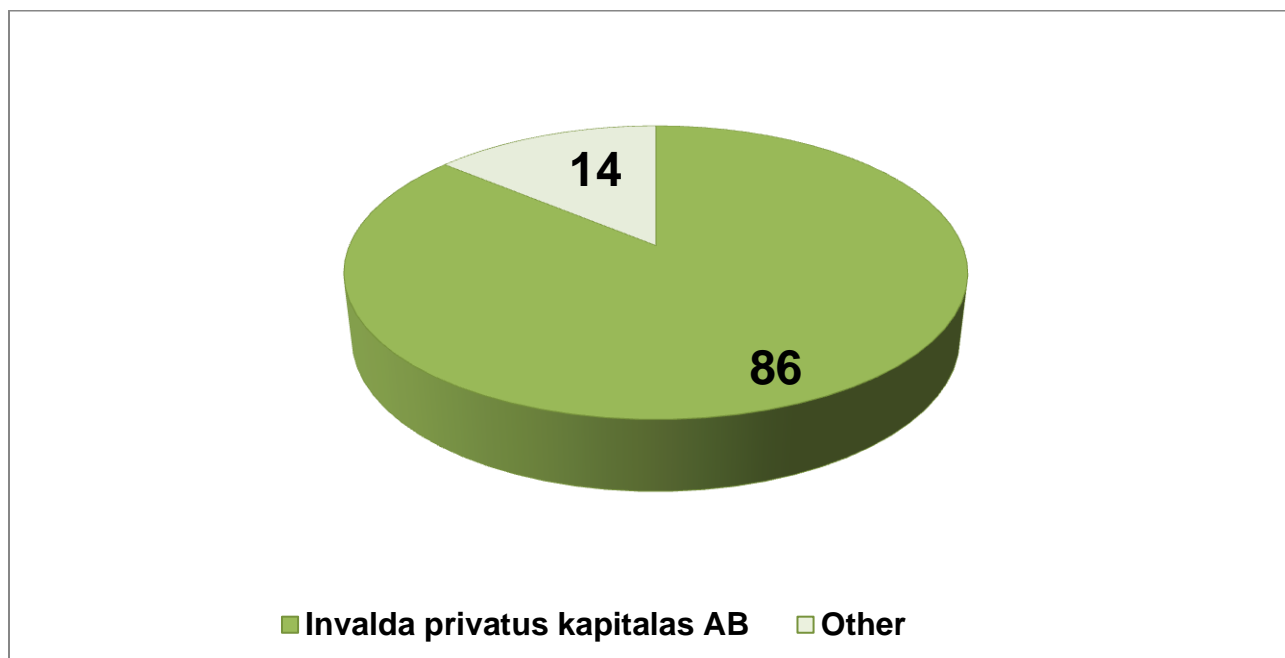
## 12. SHAREHOLDERS

Total number of the shareholders as of February 29, 2016 was 1 349.

The shareholders who had upon the property rights or possessed more than 5% of the issuer's authorised capital on February 29, 2016:

Names of the companies, office addresses, codes	Number of shares owned under the property rights, units	Part of the authorised capital, %	Part of the votes, %
Invalda privatus kapitalas AB, company code 303075527, Seimyniskiu Str. 1 A, Vilnius	3 342 160	86.00	86.00

Structure of the authorized capital, %



The are no shareholders, having any special rights of control.

The are no voting rights restrictions.

The issuer is not aware of any agreements between the shareholders, because of which the transfer of the securities and (or) the voting right could be limited.

### 13. INFORMATION ABOUT THE ISSUER'S STOCK EXCHANGE TRADING ON THE REGULATED MARKETS

The Company's ordinary shares are registered on the Secondary list of Nasdaq OMX Vilnius AB.

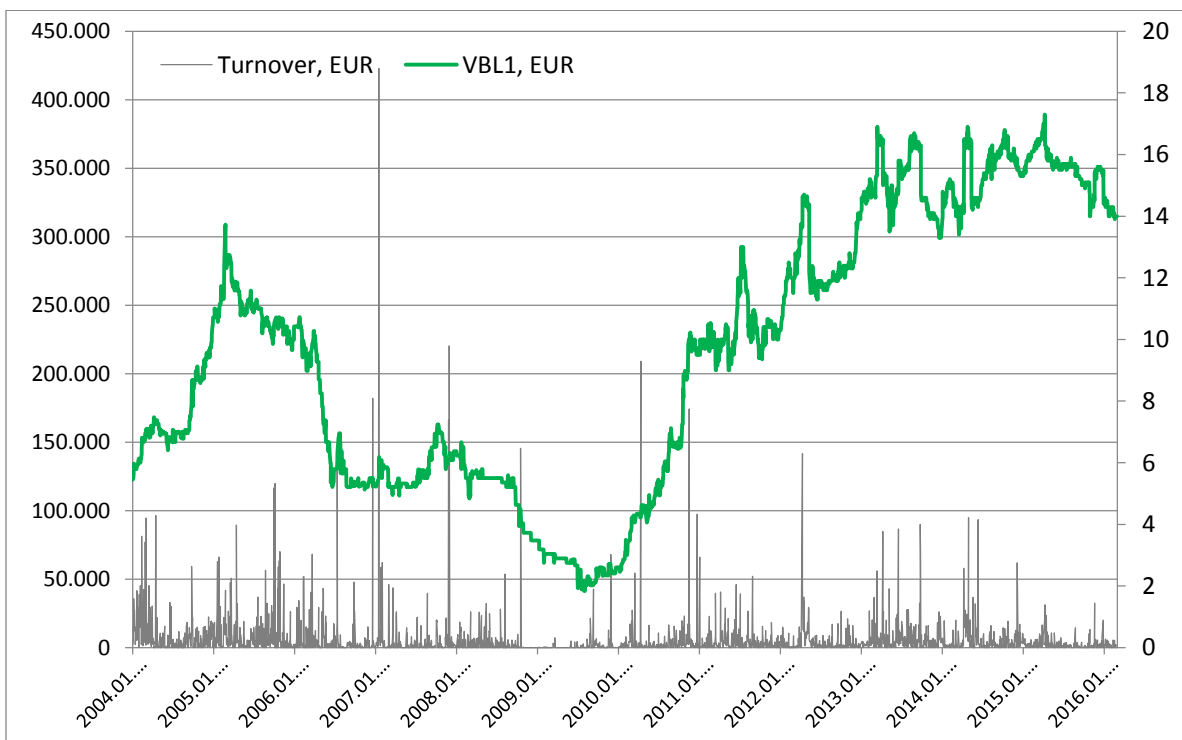
The main characteristics of the shares:

Type of shares	VP ISIN code	Abbreviation	Number of shares, units.	Nominal value, EUR	Total nominal value, EUR
Ordinary registered shares	LT0000104267	VBL1L	3 886 267	1.16	4 508 069.72

The trade of the shares of the Company:

	2016 I half, ended February 29
Price of the shares, EUR:	
- opening	15.60
- highest	15.60
- lowest	13.90
- closing	14.00
Turnover of shares, units	16 184
Turnover of shares, EUR	240 596
Total number of transactions, units	313
Capitalization, million EUR	54.41

Vilniaus Baldai AB turnover and price from 29.02.2004:



Comparison of the price of shares of Vilnius Baldai AB with the OMXBB index from 29.02.2012:



#### 14. ORDER OF CHANGING OF THE ISSUER'S ARTICLES OF ASSOCIATION




The Articles of Company are changed by the resolution of the General Meeting of shareholders, adopted by the majority of more than 2/3 of all the votes.

#### 15. ISSUER'S BODIES



The Company has the General Meeting of shareholders, a one-man management body – chief executive officer (General Director) and the collegial management body – the Board. The Company does not have a Supervisory Board.

The Board of the Company consists of 3 members. It is elected for the period of four years by the General Meeting. The Board of the Company elects and withdraws and dismisses from the position the Chief Executive Officer, determines his salary, confirms the job descriptions, appoints him and imposes penalties.

The Board and Administration of the Company:

	<table border="1"> <tr> <th colspan="2">Mr. Vytautas Bucas</th></tr> <tr> <td colspan="2"> <b>Position</b>  Chairman of the Board, elected to the Board on 12.04.2007, re-elected on 29.04.2008 and 27.04.2012, end of the term – 2016. </td></tr> <tr> <td colspan="2"> <b>Work experience</b>  Since May 2013 Adviser, Chairman of the Board of Invalda privatus kapitalas AB  2006 – May 2013 Adviser of Invalda AB, Board member (since May 2007 till May 2013 Chairman of the Board)  2006 – 2007 Director of Invaldos Nekilnojamojo Turo Fondas AB  2000 – 2006 SEB Bankas AB, Board member, Vice President, CFO, Head of IT Department  1992 – 2000 Senior Auditor, Senior Manager, Manager at Arthur Andersen </td></tr> <tr> <td><b>Participation in the activities of other companies</b> Chairman of the Board of Invalda privatus kapitalas AB</td><td><b>Number of shares and of voting rights</b> 39.63 % of shares and of voting rights</td></tr> <tr> <td>Chairman of the Board of Bordena UAB</td><td>-</td></tr> </table>	Mr. Vytautas Bucas		<b>Position</b> Chairman of the Board, elected to the Board on 12.04.2007, re-elected on 29.04.2008 and 27.04.2012, end of the term – 2016.		<b>Work experience</b> Since May 2013 Adviser, Chairman of the Board of Invalda privatus kapitalas AB 2006 – May 2013 Adviser of Invalda AB, Board member (since May 2007 till May 2013 Chairman of the Board) 2006 – 2007 Director of Invaldos Nekilnojamojo Turo Fondas AB 2000 – 2006 SEB Bankas AB, Board member, Vice President, CFO, Head of IT Department 1992 – 2000 Senior Auditor, Senior Manager, Manager at Arthur Andersen		<b>Participation in the activities of other companies</b> Chairman of the Board of Invalda privatus kapitalas AB	<b>Number of shares and of voting rights</b> 39.63 % of shares and of voting rights	Chairman of the Board of Bordena UAB	-														
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<b>Participation in the activities of other companies</b> Chairman of the Board of Invalda privatus kapitalas AB	<b>Number of shares and of voting rights</b> 39.63 % of shares and of voting rights																								
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	<table border="1"> <tr> <th colspan="2">Mr. Dalius Kaziunas</th></tr> <tr> <td colspan="2"> <b>Position</b>  Board member, elected to the Board on 29.04.2010, re-elected on 27.04.2012, end of the term – 2016. </td></tr> <tr> <td colspan="2"> <b>Work experience</b>  Since May 2013 CEO, Board member of Invalda privatus kapitalas AB  2012 – May 2013 President of Invalda AB, Board member (till April 2012)  2008 – 2011 Adviser and Board member of Invalda AB  2008 – 2009 Director of Bankas Finasta AB  1996 – February 2008 assistant of financial broker of FMI Finasta AB, financial broker, Director. </td></tr> <tr> <td><b>Participation in the activities of other companies</b> CEO and Board member of Invalda privatus kapitalas AB</td><td><b>Number of shares and of voting rights</b> 0.87 % of shares and of voting rights</td></tr> <tr> <td>Chairman of the Board of Invetex AB</td><td>-</td></tr> <tr> <td>Chairman of the Board of Lauko gelininkystes bandymu stotis UAB</td><td>-</td></tr> <tr> <td>Member of the Supervisory Board at Vernitas AB</td><td>-</td></tr> <tr> <td>Board member Bordena UAB</td><td>-</td></tr> </table>	Mr. Dalius Kaziunas		<b>Position</b> Board member, elected to the Board on 29.04.2010, re-elected on 27.04.2012, end of the term – 2016.		<b>Work experience</b> Since May 2013 CEO, Board member of Invalda privatus kapitalas AB 2012 – May 2013 President of Invalda AB, Board member (till April 2012) 2008 – 2011 Adviser and Board member of Invalda AB 2008 – 2009 Director of Bankas Finasta AB 1996 – February 2008 assistant of financial broker of FMI Finasta AB, financial broker, Director.		<b>Participation in the activities of other companies</b> CEO and Board member of Invalda privatus kapitalas AB	<b>Number of shares and of voting rights</b> 0.87 % of shares and of voting rights	Chairman of the Board of Invetex AB	-	Chairman of the Board of Lauko gelininkystes bandymu stotis UAB	-	Member of the Supervisory Board at Vernitas AB	-	Board member Bordena UAB	-								
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	<table border="1"> <tr> <th colspan="2">Mr. Vaidas Savukynas</th></tr> <tr> <td colspan="2"> <b>Position</b>  Board member, elected to the Board 08.10.2014, end of the term – 2016. </td></tr> <tr> <td colspan="2"> <b>Work experience</b>  Since 2013 Chief Financial Officer at Invalda privatus kapitalas AB  2011 – 2013 Chief Financial Officer at food retail chain Narodnyi in Kyrgyz Republic  2010 – 2010 Director of Administration at Zemaitijos pienas AB  1998 – 2009 Chief Financial Officer and Financial Analyst at concern MG Baltic and its companies (MG Baltic Trade, Apranga, Minvista)  1993 – 1995 Chief Executive Officer at brokerage company Bankoras  1990 – 1993 Marketing Manager at Lietuvos birza AB </td></tr> <tr> <td><b>Participation in the activities of other companies</b> CFO at Invalda Privatus Kapitalas AB</td><td><b>Number of shares and of voting rights</b></td></tr> <tr> <td>Board member of Invetex AB</td><td>-</td></tr> <tr> <td>Board member of Lauko gelininkystes Bandymu stotis UAB</td><td>-</td></tr> <tr> <td>CEO of Krevina UAB</td><td>-</td></tr> <tr> <td>CEO of Investiciju Tinklas UAB</td><td>-</td></tr> <tr> <td>CEO Justum UAB</td><td>-</td></tr> <tr> <td>CEO Variagis UAB</td><td>-</td></tr> <tr> <td>Board member of Bordena UAB</td><td>-</td></tr> <tr> <td>CEO Geruvis UAB</td><td>-</td></tr> </table>	Mr. Vaidas Savukynas		<b>Position</b> Board member, elected to the Board 08.10.2014, end of the term – 2016.		<b>Work experience</b> Since 2013 Chief Financial Officer at Invalda privatus kapitalas AB 2011 – 2013 Chief Financial Officer at food retail chain Narodnyi in Kyrgyz Republic 2010 – 2010 Director of Administration at Zemaitijos pienas AB 1998 – 2009 Chief Financial Officer and Financial Analyst at concern MG Baltic and its companies (MG Baltic Trade, Apranga, Minvista) 1993 – 1995 Chief Executive Officer at brokerage company Bankoras 1990 – 1993 Marketing Manager at Lietuvos birza AB		<b>Participation in the activities of other companies</b> CFO at Invalda Privatus Kapitalas AB	<b>Number of shares and of voting rights</b>	Board member of Invetex AB	-	Board member of Lauko gelininkystes Bandymu stotis UAB	-	CEO of Krevina UAB	-	CEO of Investiciju Tinklas UAB	-	CEO Justum UAB	-	CEO Variagis UAB	-	Board member of Bordena UAB	-	CEO Geruvis UAB	-
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CEO Geruvis UAB	-																								

The Board and Administration of the Company (cont.):

	<b>Mr. Rimantas Vaitkus</b>	
	<b>Position</b> General Director since 12.05.2014	
	<b>Work experience</b> 2013–2014 Project Office Director of Lietuvos Energija UAB 2011–2013 CEO of Visagino Atomine Elektrine UAB 2011–2011 External Relation Director of Visagino Atomine Elektrine UAB 2010–2011 CEO of VST AB 2009–2010 CEO of LEO LT UAB 2008–2009 CEO of Rytu Skirstomieji Tinklai AB 2001–2008 Country General Manager of IBM Lietuva UAB 1998–2001 Vice-Minister of the Ministry of Economy	
	<b>Participation in the activities of other companies</b> Board member of KIRIGAMI DESIGN UAB	<b>Number of shares and of voting rights</b> -
	<b>Mr. Jonas Krutinis</b>	
	<b>Position</b> Head of Finance department since 2015-02-23, nuo 2015-10-12 Head of Finance	
	<b>Work experience</b> 2014–2015 Business Intelligence Manager at SEB Baltics 2006–2014 Deputy Chairman of the Management Board, Head of Business Support, CFO at SEB Bank, Russia 2002–2006 Head of Planning at SEB Vilniaus bankas AB 1999–2002 Business Consultant at Arthur Andersen UAB 1997–1999 Analyst at VB Vilfima UAB 1995–1997 Specialist at CSDL	
	<b>Participation in the activities of other companies</b> Board member of Autoverslas UAB	<b>Number of shares and of voting rights</b> -

The Company's key management personnel includes the Company's General Director and Head of Finance. In the first half of FY2016 the average monthly remuneration to the management member of the Company amounted to EUR 9.83 thousand. The remuneration is not paid to the Board members of the Company.

Remuneration to the management member of the Company:

	<b>2016 I half, ended February 29</b>
Wages, salaries	90
Social security	28
<b>Total</b>	<b>118</b>

During the first half of FY2016 the Company did not transfer any assets for the Board members, Head of the Company, Head of Finance. Also any guarantees or warranties, by which the performance of their liabilities would be secured, were not made.

#### **16. SIGNIFICANT AGREEMENTS IN WHICH THE COMPANY IS INVOLVED AND WHICH WOULD BECOME EFFECTIVE, WOULD CHANGE OR WOULD BE TERMINATED IF THE CONTROL OF ISSUER WILL CHANGE**

During the first half of 2016 no material agreements were signed which would become effective, would change or would be terminated if the control of issuer will change. Furthermore, there were no agreements signed during the first half of 2016 between the Company and its body, employees which allow compensations if they would resign or would be fired without the justified reason or their work would be finished due to the issuer control change.

#### **17. RELATED PARTY TRANSACTIONS**



The parties are considered related when one party has the possibility to control the other one or have significant influence over the other party in making financial and operating decisions. The related parties of the Company as of February 29, 2016 were: ARI-LUX UAB (the subsidiary), Invalda Privatus Kapitalas AB (ultimate shareholder) and all companies controlled by Invalda Privatus Kapitalas AB (as of August 31, 2015 were: ARI-LUX UAB (the subsidiary), Invalda Privatus Kapitalas AB (ultimate shareholder) and all companies controlled by Invalda Privatus Kapitalas AB). Transactions with related parties during the first half of FY2016 and the balances as of August 31, 2015 are provided in the Notes (Note 17) to the interim condensed consolidated financial statements for the six months of 2016.

## 18. DATA ON THE PUBLICLY DISCLOSED INFORMATION

The information publicly disclosed by Vilniaus Baldai AB during the first half of 2016 is presented on the Company's website [www.vilniausbaldai.lt](http://www.vilniausbaldai.lt).

Summary of publicly disclosed information:

Date of disclosure	Brief description of disclosed information
26.10.2015	Vilniaus Baldai AB result of activity and non audited condensed interim consolidated financial statement for the eight months of 2015
17.11.2015	Vilniaus baldai AB audited consolidated and company's financial statements for the 8-month period ended as at 31 August 2015
19.11.2015	Convocation of Vilniaus baldai AB Ordinary General Shareholders Meeting
19.11.2015	Draft resolutions of the Annual General Shareholders Meeting
14.12.2015	Resolutions of the Annual General Shareholders Meeting of Vilniaus baldai AB on 14.12.2015
22.12.2015	Vilniaus Baldai AB result for activity and non audited condensed interim consolidated financial statement for the three months of FY2016
30.12.2015	Vilniaus baldai AB preparation of interim information and release dates in 2016
30.12.2015	Procedure for the payout of dividends

General Director

Rimantas Vaitkus



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General Manager  
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## **Jonas Krutinis**

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